India's share in World Textile Market

1006. SHRI JANARDHANA POOJARY: Will the Minister of TEXTILES be pleased to state:

(a) whether globally textile sector is upbeat;

(b) what is the share of India's textile in the international market during the last three years, year-wise;

(c) whether it is a fact that despite requisite potential, India is unable to tap the international demand for quality textile products; and

(d) if so, the details and efforts made to boost India's textile export?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) World trade in textiles and clothing touched US $530 billion in 2006, compared to US$ 483 billion in 2005.

(b) India's share in the world trade in textiles and clothing during the last three years is as follows:

Year	%age share
2004	2.99
2005	3.66
2006	3.68

SOURCE: World Trade Organisation

(c) and (d) Indian textiles and clothing industry has been trying to utilise its full potential to cater to international demand for quality textile products. However, the textiles and clothing industry has been reporting certain constraints such as high power and transaction costs, poor port facilities, high raw-material prices, un-rebated taxes and duties, high excise duty, high customs duty on raw-materials and inadequate product basket which can cater to the demands of sophisticated international markets. In order to strengthen the Indian textiles industry to meet the emerging global competition, the Government has been taking a series of measures which, *inter-alia,* include:—

(i) To improve productivity and quality of cotton for manufacture and export of competitive downstream textile products, Government has launched the **Technology Mission on Cotton (TMC).** The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

(ii) The **Technology Upgradation Fund Scheme (TUFS)** was launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to increase the rapid investments in the target sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

(iii) For speedy modernisation of the textile processing sector, Government has introduced *w.e.f.* 20.04.05, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

(iv) To provide the textile industry with world-class infrastructure facilities for setting

up their textile units meeting international environmental and social standards, a Public-Private Partnership (PPP) based Scheme known as the **"Scheme for Integrated Textile Park (SITP)"** has been introduced in **August, 2005.**

(v) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

(vi) To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% continues to be at 5% on most of the machinery items.

(vii) Government has launched the Debt Restructuring Scheme *w.e.f.* Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

(viii) In order to cater to the growing skilled manpower requirements at shop floor level, Government is providing assistance for strengthening existing and opening new **Apparel Training and Design Centres (ATDCs).**

(ix) Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

(x) Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

(xi) **National Institute of Fashion Technology (NIFT)** has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.

Decline in export of textiles

†1007. DR. MURLI MANOHAR JOSHI:
SHRI RAM JETHMALANI:

Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that a huge decline has taken place in the export of textile industry of the country due to various reasons;

(b) if so, the fact in this regard and what is Government's reaction to these facts;

(c) whether several trade organizations of textile industry have also made Government aware of the problems arisen before the textile industry; and

(d) if so, what steps have so far been taken by Government to solve these problems?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) As per provisional export data of the Directorate General of Commercial Intelligence & Statistics, Kolkata, India's textiles exports have declined over 14% in US $ terms during the first quarter of current year over corresponding period of previous year.

† Original notice of the question was received in Hindi.